



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Monday, November 20, 2006

Electricity

U.S. Power Supplies Adequate to Meet Winter Demand – NERC

The U.S. North American Reliability Council (NERC)'s winter reliability assessment says that power supplies should be sufficient to meet demand and capacity margins should not be strained this winter, despite anticipated higher peak electricity demand. In New England, transmission enhancements and new fuel-switching capability at power plants have helped address NERC's worries about natural gas use during particularly cold periods in the region. In the ReliabilityFirst region north and south of the Tennessee Valley Authority, the NERC report warned that critical transmission paths could be strained during peak periods this winter, possibly forcing grid operators to intervene with generation redispatch efforts or transmission loading relief to ensure reliability is maintained. In the Western Electricity Coordinating Council region, hydropower conditions are expected to be sufficient to meet seasonal and peak demands during the winter. Due to the high winter natural gas demand in several regions, NERC said that the possibility of natural gas supply or transportation interruptions during cold periods was a continuing concern. However, the report added that "initiatives have been undertaken in New England, Florida, and Texas to increase coordination among natural gas suppliers and electric generators to proactively assess short-term fuel availability."

NERC Press Release: http://www.nerc.com/pub/sys/all_updl/docs/pressrel/PR_WA_Announcement_11-16-06.pdf

NERC Report: http://www.nerc.com/pub/sys/all_updl/docs/pubs/winter2006-07.pdf

<http://www.platts.com/Electric%20Power/News/8741334.xml?p=Electric%20Power/News&sub=Electric%20Power>

Storms Knocked Out Power to 47,800 Dominion Customers in Virginia November 16

By 10:30 p.m. November 16, Dominion Power had restored service to all but 300 of the customers who lost power.

http://www.timesdispatch.com/servlet/Satellite?pagename=RTD/MGArticle/RTD_BasicArticle&c=MGArticle&cid=1149191739575&path=/news&s=1045855934842

Update: Dominion's 1,842 MW North Anna Nuclear Station in Virginia Ramps Up to Full Power November 20

By early Monday, both units at the power plant had ramped up to full power. Last week, Unit 1 shut for repair of two water leaks and Unit 2 automatically shut because only a limited amount of water was going into a steam generator.

Reuters, 14:27 November 20, 2006

Bloomberg News, 11:23 November 16, 2006

Update: Progress Energy's 937 MW Brunswick Nuke Unit 2 in North Carolina Exits Outage by November 20

The unit exited an outage and ramped up to 40 percent of capacity by early Monday. The unit shut November 1 due to the loss of offsite power and the unit was kept shut to conduct other maintenance.

[http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-](http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-20T124129Z_01_N20251251_RTRIDST_0_UTILITIES-PROGRESS-BRUNSWICK.XML&rpc=66&type=qcna)

[20T124129Z_01_N20251251_RTRIDST_0_UTILITIES-PROGRESS-BRUNSWICK.XML&rpc=66&type=qcna](http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-20T124129Z_01_N20251251_RTRIDST_0_UTILITIES-PROGRESS-BRUNSWICK.XML&rpc=66&type=qcna)

Update: FirstEnergy's 831 MW Beaver Valley Nuke Unit 2 in Pennsylvania Back to Full Power November 20

The unit was operating at 40 percent due to a problem with a feed water heater. Before being reduced, the unit had been ramping up following a refueling outage which it exited earlier in the week.

[http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-](http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-20T121502Z_01_N20249780_RTRIDST_0_UTILITIES-FIRSTENERGY-BEAVERVALLEY.XML&rpc=66&type=qcna)

[20T121502Z_01_N20249780_RTRIDST_0_UTILITIES-FIRSTENERGY-BEAVERVALLEY.XML&rpc=66&type=qcna](http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-20T121502Z_01_N20249780_RTRIDST_0_UTILITIES-FIRSTENERGY-BEAVERVALLEY.XML&rpc=66&type=qcna)

First Energy's 873 MW Davis Besse Nuke Unit in Ohio Shut November 18

Reuters, 10:48 November 20, 2006

Update: TXU's 750 MW Martin Lake Coal-fired Unit 2 in Texas to Restart November 19

The company planned to restart the unit on November 19 after fixing a boiler tube leak. The company shut the unit on November 17.

Reuters, 09:24 November 20, 2006

Update: TXU's 575 MW Big Brown Coal-fired Unit 2 in Texas Restarts November 19

The company restarted the unit over the weekend after fixing a boiler tube leak. The company shut the unit by November 14.

Reuters, 11:29 November 20, 2006

Update: TXU's 545 MW Sandow Coal-fired Unit 4 in Texas to Restart November 18

The company planned to restart the unit after fixing a boiler tube leak. The company shut the unit for work on November 17.

Reuters, 09:29 November 20, 2006

Update: OPG's 490 MW Nanticoke Coal-fired Unit 2 in Ontario Shut November 20

The company shut the unit for short-term work by early Monday. The unit had just exited an outage over the weekend that had begun November 17. Electricity traders believe that the unit will return within one week.

Reuters, 10:19 November 20, 2006

Update: OPG's 494 MW Lambton Coal-fired Unit 4 in Ontario Returns to Service November 20

The unit shut on November 17 for short-term work

Reuters, 10:05 November 20, 2006

OPG's 494 MW Lambton Coal-fired Unit 2 in Ontario Shut November 20

The unit shut for short-term work

Reuters, 10:05 November 20, 2006

AES's 332 MW Alamos Gas-fired Unit 3 in California Shut November 19

Reuters, 10:48 November 20, 2006

Calpine's 670 MW Pastoria Gas-fired Unit in California Shut November 19

Reuters, 10:48 November 20, 2006

Sempra's 480 MW Termoelectrica Gas-fired Unit in Mexico Shut November 19

Reuters, 10:48 November 20, 2006

Petroleum

ULSD Outages Persist in Midwest – OPIS Reports

Despite higher levels of distillate stock than a year ago, OPIS reports that outages of ultra low sulfur diesel (ULSD) are widespread. OPIS reports that outages and low levels of stocks are plaguing several states in the Midwest, particularly along the Magellan and Kaneb pipeline systems. States experiencing problems include Kansas, Nebraska, Iowa, Oklahoma, North Dakota, South Dakota, Minnesota, Wisconsin and Missouri. In addition there are also reports of problems in the Southeast in markets that include Georgia, Tennessee, and North Carolina.

OPIS, 15:28 November 17

ExxonMobil Shuts FCC Unit No. 3 Boiler at 563,000 b/d Baytown, Texas Refinery November 20

According to a filing with Texas regulators, ExxonMobil shut a carbon monoxide boiler on the fluidic catalytic cracking unit No. 3 at its Baytown refinery to fix an electrical circuit. Repairs are expected to last through November 21 but the company expects the outage to have only a minimal impact on production.

Reuters, 13:49 November 20, 2006

ConocoPhillips Shuts Unit at 78,000 b/d Rodeo, California Refinery November 19

According to a filing with California regulators, the company said it shut an unidentified unit at the refinery and reported hydrogen flaring.

Reuters, 17:40 November 19, 2006

Exxon Restarts FCC Scrubber at 349,000 b/d Beaumont, Texas Refinery November 19

According to a filing with Texas regulators, ExxonMobil restarted a wet gas scrubber on a fluidic catalytic cracking unit at its Beaumont, Texas refinery. The scrubber was shut due to piping leaks.

Reuters, 16:18 November 19, 2006

Update: Citgo Restarting FCC Unit at 156,000 b/d Corpus Christi, Texas Refinery

According to a filing with Texas regulators, the company is restarting a fluidic catalytic cracking unit at its Corpus Christi refinery. On November 16, a worker accidentally shut off the cracker.

Bloomberg News, 14:41 November 20, 2006

Update: BP Pipeline Work to Continue Till Tuesday at 460,000 b/d Texas City Refinery

According to a filing with Texas regulators, BP expects repairs to a pipeline at its Texas City, Texas refinery to last until November 21. A leak occurred on Thursday last week when an instrument testing the depth of a defect in a sour fuel gas line punctured the side of a pipeline, creating a pinhole leak. BP subsequently evacuated 800 nonessential workers from the refinery. A clamp was placed over the hole but failed to contain the leak. A specialized clamp is being constructed to close the leak.

Reuters, 17:42 November 19, 2006

Corrosion Has Become Leading Cause of Hazardous-Liquid Pipeline Accidents in U.S.

According to a report by the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA), corrosion is the leading cause of hazardous-liquid pipeline accidents in the nation. From 2000 to 2005, 217 of the 832 incidents reported to the federal PHMSA were attributed to corrosion. Rusting pipes also spilled the most petroleum products (more than 5 million gallons) during the six years. On average, corrosion caused 36 spills across the country per year during the period, down from an average of 49 between 1993 and 1998. Corrosion has emerged as the leading cause of oil mainly because spills due to other causes have declined.

<http://www.chron.com/dispatch/story/mpl/business/energy/4345925.html>

Iraq's Northern Pipeline to Turkey Rendered Useless – Oil Minister

According to Iraqi Oil Minister Hussein al Shahristani, the twin pipelines that once carried more than 1 million b/d of crude oil from fields in northern Iraq to the Turkish port of Ceyhan has been rendered useless by repeated rebel attacks and a lack of repairs. The Kirkuk-Ceyhan pipeline is also linked to a strategic pipeline that allows northern Iraqi crude the option of being pumped south to the Basra export terminals in the Gulf. When the Kirkuk-Ceyhan pipeline is out of service, oil produced from the giant oilfields outside of Kirkuk in northern Iraq can not reach international markets. Yesterday, the twin pipeline resumed pumping operations at a very low rate after a month-long halt. Iraq relies solely on its Basrah southern oil terminal when the northern pipeline is down. In 2005 Iraq supplied about 3.5 percent of total U.S. oil imports.

Reuters, 04:01 November 20, 2006

<http://www.azaman.com/english/index.asp?fname=news%5C2006-11-18%5Ckurd1.htm>

Update: Militants End 2-Week Siege of Eni's Tebidada Flow Station in Nigeria

Militants occupied the facility on November 6, taking 48 Nigerian staff members hostage and shutting down operations at the 50,000 b/d oil pumping station in the Niger Delta. All hostages were released when the siege ended on November 19. Eni said that it plans to resume operations at the facility soon.

http://www.iht.com/articles/ap/2006/11/20/africa/AF_GEN_Nigeria_Oil_Unrest.php

Bomb Attacks Target Five Oil Wells in Chechnya

Chechen police found explosives at three Rosneft-operated oil wells in Chechnya, one day after two wells were blown up. On November 18, two wells were blown up in Grozny, causing one well to catch fire and a massive oil leak at the other. Government officials say that it is "quite probable" that the attacks were committed by terrorist groups. Russia's southern province of Chechnya has proven oil reserves of about 367 million barrels.

<http://www.hemscott.com/news/latest-news/item.do?newsId=37230924579792>

Update: Saudi Arabia to Build Third Refinery, Also Considering Another Project

Saudi Arabia has announced that it will build a third new refinery with a foreign partner in Jizan on the Red Sea that will have a capacity between 250,000-400,000 b/d. A spokesman from the Kingdom's oil ministry said if the Jizan facility proved economically viable, Saudi Arabia would consider another refinery project. Saudi Arabia is boosting its refining capacity to help tackle a worldwide refining crunch. Saudi Arabia already has two new refinery projects underway that will add a combined 800,000 b/d by the end of the decade.

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-11-20T103726Z_01_L20559844_RTRIDST_0_ENERGY-SAUDI-REFINERY-UPDATE-1.XML&rpc=66&type=qcna

EIA Expects OPEC 4Q Output Cut at 800,000 b/d

The U.S. Energy Information Administration (EIA) expects OPEC to cut fourth quarter output by 800,000 b/d despite the cartel's October decision to cut fourth quarter output by 1.2 million b/d. EIA head Guy Caruso said the estimate was based on past adherence to announced cuts and not on inside information.

Reuters, 07:33 November 18, 2006

Natural Gas

FERC Gives Favorable DEIS to Broadwater LNG Project in Long Island Sound

On November 17, the U.S. Federal Environmental Regulatory Commission (FERC) gave a favorable Draft Environmental Impact Statement (DEIS) to Broadwater Energy's proposed liquefied natural gas (LNG) import terminal in the Long Island Sound. The project's proposed capacity is 1 Bcf/d and most of the natural gas is expected to be used by power plants in the region.

http://www.broadwaterenergy.com/pdf/Broadwater_DEIS_Statement_111706.pdf

LNG Task Force Makes Recommendation for Sparrows Point LNG Project in Maryland

At their final meeting on November 17, the LNG task force studying the proposed 1.5 Bcf/d Sparrows Point liquefied natural gas (LNG) import terminal near Baltimore, Maryland recommended that it be located at least 2.5 miles from homes. Panel members estimated that if there were a major accident at the proposed facility, an explosion could create a fireball that could injure people up to 2.56 miles away. Under the current proposal, the terminal would be about a mile from the closest homes in Turners Station.

http://www.baltimoresun.com/news/local/baltimore_county/bal-md.co.digest18nov18.0.5140939_story?coll=bal-local-headlines

Bay Gas Storage Open Season Receives 22 Bcf in Requests for New Capacity in Alabama

Bay Gas Storage received requests for 22 Bcf of natural gas storage capacity during its recent open season, more than double the capacity offered. The open season conducted from October 5th through November 3rd relates to the planned development of two new 5.0 Bcf high-deliverability, underground caverns in the McIntosh, Alabama salt-dome and the development of pipeline interconnects with Transco (Station 85) and SONAT (York, Alabama).

<http://www.bay-gas.com/NewsDetail.asp?NEID=59>

Update: Canada Federal Court Ruling Won't Slow Mackenzie Valley Pipeline Project – Government Minister

The Canadian minister overseeing the Mackenzie Valley natural gas pipeline project said that a recent ruling will not delay the project. Last week, Canada's Federal Court ruled that Canada's federal government failed to consult with an Indian tribe in the creation of the regulatory and environmental review process of the Mackenzie Valley natural gas pipeline. The court ruled that the joint review panel, which is assessing the project's social and environmental impacts, cannot issue a final report until another hearing is held to decide on remedies for the tribe. The tribe lives in northern Alberta near the terminus of the proposed 1,200-mile pipeline, which would connect natural gas production in the Mackenzie Delta with Canadian points in the south. As much as 1.2 Bcf/d could initially flow through the pipeline. If approved, the Mackenzie project could be in service by 2010. It is unclear how the recent ruling will impact that project's timetable. Project website: <http://www.mackenziegasproject.com/>

<http://www.theglobeandmail.com/servlet/story/LAC.20061111.RMACKENZIE11/TPStory/Business>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices November 20, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	56.42	59.00	56.30
NATURAL GAS Henry Hub \$/Million Btu	7.79	7.15	10.01

Source: Reuters

Energy Notes

Final Environmental Impact Report for Proposed Long Beach, California LNG Terminal Delayed Again

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8kowu%5D%5BjqinqmUTli%22EN%26bfe%5Dv>

Russia Says Commercial Issues Blocking CPC Pipeline Expansion

<http://www.platts.com/Oil/News/8742046.xml?p=Oil/News&sub=Oil>

BP Adding New Rigs, Workers in Alaska to Renew Aging Production Infrastructure and Expand Production on the North Slope

<http://www.platts.com/Oil/News/7880667.xml?p=Oil/News&sub=Oil>

Fire Breaks Out at Univ. of Fairbanks 23 MW Coal/Oil-fired Power Plant November 17

<http://newsminer.com/2006/11/18/3410/>

Malfunction at Dominion's Exploration Gas Compressor Station in Schriever, Louisiana Sends Fireballs Into Sky Instead of Gas Flares

<http://www.katc.com/Global/story.asp?S=5701648>

Update: Boardwalk Begins Open Season on 1.65 Bcf/d Gulf Crossing Pipeline

<http://biz.yahoo.com/bw/061120/20061120005146.html?.v=1>

Homer Electric Association Reaches Agreement to Restart 50 MW Healy Clean Coal Project in Alaska

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7434312

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov